Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Office of Pipeline Safety

SUPPORTING STATEMENT
Hazardous Liquid Pipeline Operator Annual Reports 2137-0614
Docket No. PHMSA-2008-0291

INTRODUCTION

The Pipeline and Hazardous Materials Safety Administration (PHMSA) requests approval from the Office of Management and Budget (OMB) for an extension and amendment of a currently approved collection entitled, "Hazardous Liquid Pipeline Operator Annual Reports" (OMB Control No. 2137-0614). The expiration date for this information collection currently designated as June 30, 2010. This information collection is being submitted to OMB to reflect the proposed amendments a NPRM entitled "Pipeline" which was published on July 2, 2009 (74 FR 37675). This proposed rulemaking require operators to submit state-specific annual reports

This package is one of five impacted information collections being submitted to OMB for approval. The other impacted information collections are 2137-0047, 2137-0522, 2137-0578, and 2137-0610. A complete list of impacted information collections, including this one, is as follows:

	Information Collection Title
2137-0047	**Transportation of Hazardous Liquids by Pipeline: Recordkeeping and Accident Reporting**
2137-0522	**Incident and Annual Reports for Gas Pipeline Operators**
2137-0578	**Reporting Safety-Related Conditions on Gas, Hazardous A Liquid, and Carbon Dioxide Pipelines and Liquefied Natural Gas Facilities**
2137-0610	**Pipeline Integrity Management in High Consequence Areas Gas Transmission Pipeline Operators**
2137-0614	**Pipeline Safety: New Reporting Requirements for Hazardous Liquid Pipeline Operators: Hazardous Liquid Annual Report**

Part A. Justification

1. Circumstances that make collection of information necessary.

PHMSA shares responsibility for inspecting and overseeing the safety of hazardous liquid and carbon dioxide pipelines with many state pipeline safety offices. Pipeline operators are currently required to document safety incidents and report them to PHMSA. The expiring regulation mandates that operators include inventory and safety related data to PHMSA in annual reports. In past years, Congress and the National Transportation Safety Board (NTSB) tasked PHMSA to improve the quality of pipeline accident data and data analyses. The hazardous liquid annual reports support this goal.

The requirements for reporting incidents are found in 49 CFR Part 195. Authority for 49 CFR Part 195 includes 49 U.S.C. 5103, 60102, 60104, 60108, 60109, 60118; and 49 CFR 1.53.

2. How, by whom, and for what purpose is the information used.

State agencies and the Federal government use this information to identify pipeline systems or operators that have repeated issues with safety. Additionally, PHMSA uses the information to compile a national pipeline inventory, identify and determine the cope of safety problems, and target inspections.

3. Extent of automated information collection.

At least 50 percent of the annual reports are submitted electronically. PHMSA encourages operators to utilize on-line tools for data reporting. The proportion of electronic vs. paper filings continues to increase.

4. Efforts to identify duplication.

Operators of hazardous liquid and carbon dioxide pipelines are only required to complete one annual report per pipeline system. Before the expiring regulation was implemented, individual safety incidents may have been reported on multiple occasions. The annual report compiles the entire year's data in a single source.

5. Efforts to minimize the burden on small businesses.

PHMSA expects impacted operators to be large and small businesses and therefore the requirement may impact small businesses.[1] Previous information collection analysis estimated that there are 10-20 "small entity" industry operators for this type of pipeline. Analysts suggested that the small entities carried a different range of products, such as ammonia and chlorine, and are likely not in competition with the large operators, so that additional burden hours should not cause harm to their competitiveness. Additionally, small operators generally remain competitive by developing niche markets and exclusively supply a limited number of customers.

6. Impact of less frequent collection of information.

[1] Small businesses as defined by the Regulatory Flexibility Act (P.L. 96-354)

PHMSA would not be able to appropriately and properly assess accidents and the integrity of the pipeline system without the annual reports. Less frequent information collection could compromise the safety and economic viability of the U.S. pipeline system.

7. Special circumstances.

The proposed information collection annual report is a renewal of an existing regulation and is the only required annual report for hazardous liquid. Duplication would occur if accidents or incidents occur during the year. The incidents or accidents would be reported initially in a notification report to PHMSA and again in the annual report. Operators, through their safety measures and vigilance, can avoid such circumstances. As such, PHMSA is not mandating information collection occur twice within a single quarter.

8. Compliance with 5 CFR 1320.8.

The NPRM was published on July 2, 2009 (74 FR 37675). PHMSA is awaiting comment.

9. Payments or gifts to respondents.

Not applicable.

10. Assurance of confidentiality.

Not applicable.

11. Justification for collection of sensitive information.

Not applicable.

12. Estimate of burden hours for information requested.

Individual operators need an estimated 12 hours to complete the annual report. Currently, PHMSA estimates that 447 Hazardous Liquid Annual Reports are filed on annual basis by approximately 300 unique operators. The estimated number of reports exceeds the number of unique operators because some operators oversee multiple pipeline systems. PHMSA is proposing to require Hazardous Liquid (HL) operators to submit State-specific annual reports. If adopted, PHMSA expects the number of annual reports to increase from 447 HL annual reports to 979 HL annual reports. The estimated burden hours for this increase are estimated at 11,748 hours (979*12).

It is expected that a senior engineer will complete the form. PHMSA estimates the engineer's hourly wages at $64.75 per hour (fully loaded). This will result in an estimated increase from $347,319 to a total cost of $760,683.00 (11,748*64.75). Although the estimated burden hours and costs are approximately double of the currently approved burden estimates, PHMSA believes that this is an overestimation since some operators who submit multiple reports may only need a fraction of the estimated time (12 hours) to complete subsequent reports. PHMSA will be inviting comments on this issue.

13. Estimate of total annual costs to respondents.

The approval of this information collection is not expected to increase operator costs beyond those cited in the answer to #12.

14. Estimate of cost to the Federal Government.

PHMSA will continue to review the annual reports from the pipeline operators, and does not expect any additional administrative costs associated with this regulation.

15. Explanation of program changes or adjustments.

Not applicable.

16. Publication of results of data collection.

Annual reports summaries for hazardous liquid pipelines are available at the PHMSA DMS website.

17. Approval for not displaying the expiration date for OMB approval.

PHMSA does not seek approval to not display expiration date.

18. Exceptions to certification statement.

There are no exceptions to the certification statement.

ATTACHMENTS:

There are no attachments.

Part B. Collections of Information Employing Statistical Methods.

This information collection does not employ statistical methods.

1. Describe potential respondent universe and any sampling selection method to be used.

There is no potential respondent universe or any sampling selection method being used.

2. Describe procedures for collecting information, including statistical methodology for stratification and sample selection, estimation procedures, degree of accuracy needed, and less than annual periodic data cycles.

There are no procedures for collecting information, including statistical methodology for stratification and sample selection, estimation procedures, degree of accuracy needed, and less than annual periodic data cycles.

3. Describe methods to maximize response rate.

There are no methods to maximize the response rate.

4. Describe tests of procedures or methods.

There are no tests of procedures or methods.

5. Provide name and telephone number of individuals who were consulted on statistical aspects of the information collection and who will actually collect and/or analyze the information.

There were no individuals consulted on statistical aspects of this information collection.